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NOV 17 10 10 02
November 17, 2000

Guy M. Hicks
General Counsel

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VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*
Docket No. 00-00544

Dear Mr. Waddell:

This is in response to the Data Coalition's letter to Director Greer dated November 13, 2000. In that letter, the Data Coalition seeks a clarification of the Tennessee Regulatory Authority's ("Authority") November 7 Order Adopting Interim Rates for line sharing ("the Line Sharing Order") (copy attached). Specifically, the Data Coalition asks that the Authority "clarify" that CLECs should pay, on an interim basis, the rates for an SL-1 loop for unbundled copper loops (UCLs). The final sentence of the Data Coalition's November 13 letter states that "line sharing rates should be as set forth in the order and the Authority should specifically hold that, in the interim, competitors may purchase the UCL at the 2-wire analog voice grade, SL-1 rate". (Emphasis added.) What the Data Coalition does not make clear, however, is that it is seeking UCL services at SL-1 rates for situations not involving line sharing.

BellSouth disagrees with the Data Coalition's position and believes that no clarification is needed. First, the Data Coalition's position is based solely on the Line Sharing Order. The Data Coalition conveniently ignores the Authority's ruling of November 7, which adopts interim rates proposed by BellSouth for various elements, including UCLs ("the November 7 ruling").

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David Waddell Executive Secretary
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The Authority's two decisions need no clarification. When read together, it is clear that the Authority has established, on an interim basis, two options for CLECs:

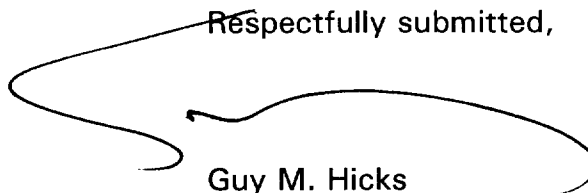
First, the CLEC may choose to order a loop for the purpose of line sharing. The Line Sharing Order reflects the Authority's establishment of the SL-1 rate as a proxy, or surrogate, rate for line sharing. See Line Sharing Order, at pp. 5-6. Indeed, the language seized upon by the Data Coalition from the Line Sharing Order is found in Section II, entitled "Interim Rates for Line Sharing" (emphasis added).

Second, the CLEC may choose to order the UCL. BellSouth's UCL is a more sophisticated product than the SL-1 loop. For example, the UCL guarantees certain transmission levels for xDSL-type services. The Authority's recent decision, rendered on Tuesday, November 7, clearly established rates for UCLs by adopting BellSouth's proposed interim rates. (Please see attached excerpt from BellSouth's Interim Rates Proposal of August 18, 2000 at Sections A.13 and A.14.)

The Data Coalition should not be allowed to have it both ways. If a CLEC chooses to use an SL-1 loop to provide xDSL-type service, it will pay a lower rate but will also assume the risk associated with using this type of loop to provide such services. The Data Coalition should not be allowed to pay the lower SL-1 loop rate, however, for the more sophisticated UCL product. Moreover, disagreement over appropriate rates should be resolved by the Authority following the hearing in this proceeding, not on a "clarification" or interim basis.

BellSouth requests that the Authority deny the Data Coalition's request for clarification.

Respectfully submitted,

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Guy M. Hicks

GMH:ch

cc: All Parties of Record

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

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REGULATORY AUTH.
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EXECUTIVE SECRETARY

In Re: ***Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123***

Docket No. 00-00544

BELLSOUTH TELECOMMUNICATIONS, INC.'S
INTERIM RATE PROPOSAL

Pursuant to the August 10, 2000 Order of the Pre-Hearing Officer, BellSouth Telecommunications, Inc. ("BellSouth") respectfully submits its interim rate proposal for each of the elements and services for which the Tennessee Regulatory Authority ("TRA") will be establishing permanent rates in this proceeding. In order to comply with Pre-Hearing Officer's directive, BellSouth is prepared to offer as interim rates the lowest cost-based rate in BellSouth's region for each of the elements and services at issue in this proceeding. BellSouth's proposed interim rates are set forth in the Affidavit of Jerry Hendrix.¹

BellSouth developed its proposed interim rates by making a reasonable effort to identify the lowest rate in BellSouth's region for each element and service that has either been approved by a state public service commission or is otherwise available in an existing interconnection agreement. For those elements and services for which there is no commission-approved or negotiated rate, BellSouth

¹ For simplicity purposes, the interim rates proposed by BellSouth in Mr. Hendrix's Affidavit are state-wide average rates. For all loop elements for which BellSouth has proposed interim rates, BellSouth will deaverage those rates

TENNESSEE INTERIM RATE PROPOSAL - DOCKET NO. 00-00544

PROPOSED ELEMENT LIST

8/18/00	Cost Element	Description	Recurring	Source (See Pg. 6)	1st Initial	Add/Sub	Source (See Pg. 6)
	A.12	CONCENTRATION PER SYSTEM PER FEATURE ACTIVATED (OUTSIDE CENTRAL OFFICE)					
	A.12.1	Unbundled Loop Concentration - System A (TR008)	\$477.76	4	\$408.22	\$222.37	4
	A.12.2	Unbundled Loop Concentration - System B (TR008)	\$85.12	4	\$408.22	\$222.37	4
	A.12.3	Unbundled Loop Concentration - System A (TR303)	\$512.88	4	\$408.22	\$222.37	4
	A.12.4	Unbundled Loop Concentration - System B (TR303)	\$120.21	4	\$408.22	\$222.37	4
	A.12.5	Unbundled Sub-loop Concentration - USLC Feeder Interface	\$81.24	4	\$211.55	\$129.04	4
	A.12.6	Unbundled Loop Concentration - POTS Card	\$2.12	4	\$21.07	\$20.98	4
	A.12.7	Unbundled Loop Concentration - ISDN (Brite Card)	\$8.48	4	\$21.07	\$20.98	4
	A.12.8	Unbundled Loop Concentration - SPOTS Card	\$12.61	4	\$21.07	\$20.98	4
	A.12.9	Unbundled Loop Concentration - Specials Card	\$7.52	4	\$21.07	\$20.98	4
	A.12.10	Unbundled Loop Concentration - TEST CIRCUIT Card	\$36.78	4	\$21.07	\$20.98	4
	A.12.11	Unbundled Loop Concentration - Digital 19, 56, 64 Kbps Data	\$11.14	4	\$21.07	\$20.98	4
	A.13	2-WIRE COPPER LOOP					
	A.13.1	2-Wire Copper Loop - short	\$11.89	12			
	A.13.7	2-Wire Copper Loop - long	\$12.18	8			
	A.13.8	2-Wire Copper Loop - short (Nonrecurring w/LMU)			\$270.01	\$234.83	8
	A.13.9	2-Wire Copper Loop - short (Nonrecurring w/o LMU)			\$131.01	\$95.63	17
	A.13.10	2-Wire Copper Loop - long (Nonrecurring w/LMU)			\$270.01	\$234.83	8
	A.13.11	2-Wire Copper Loop - long (Nonrecurring w/o LMU)			\$131.01	\$95.63	17
	A.14	4-WIRE COPPER LOOP					
	A.14.1	4-Wire Copper Loop - short	\$18.15	2			
	A.14.7	4-Wire Copper Loop - long	\$55.28	6			
	A.14.8	4-Wire Copper Loop - short (Nonrecurring w/LMU)			\$334.86	\$154.19	6
	A.14.9	4-Wire Copper Loop - short (Nonrecurring w/o LMU)			\$214.80	\$162.81	11
	A.14.10	4-Wire Copper Loop - long (Nonrecurring w/LMU)			\$238.12	\$80.46	6
	A.14.11	4-Wire Copper Loop - long (Nonrecurring w/o LMU)			\$228.94	\$72.82	6
	A.15	UNBUNDLED NETWORK TERMINATING WIRE (NTW)					
	A.15.1	Unbundled Network Terminating Wire (NTW) Per Pair	\$0.4555	\$4.00	\$2.48		11
	A.16	HIGH CAPACITY UNBUNDLED LOCAL LOOP					
	A.16.1	High Capacity Unbundled Local Loop - DS3 - Facility Termination	\$390.34	1	\$594.70	\$398.54	13
	A.16.2	High Capacity Unbundled Local Loop - DS3 - Per Mile	\$8.90	1			
	A.16.3	High Capacity Unbundled Local Loop - DS3-Incremental Cost - Manual Svc Order vs. Electronic			\$37.55	\$37.55	1
	A.16.4	High Capacity Unbundled Local Loop - OC3 - Facility Termination	\$611.36	15	\$947.69	\$413.00	1
	A.16.5	High Capacity Unbundled Local Loop - OC3 - Per Mile	\$8.75	1			
	A.16.6	High Capacity Unbundled Local Loop - OC3 - Incremental Cost Manual Svc Order vs. Electronic			\$37.55	\$37.55	1
	A.16.7	High Capacity Unbundled Local Loop - OC12 - Facility Termination	\$2,053.00	4	\$1,182.00	\$413.00	1
	A.16.8	High Capacity Unbundled Local Loop - OC12 - Per Mile	\$8.31	1			
	A.16.9	High Capacity Unbundled Local Loop - OC12 - Incremental Cost - Manual Svc Order vs. Electronic			\$37.55	\$37.55	1
	A.16.10	High Capacity Unbundled Local Loop - OC48 - Facility Termination	\$1,568.00	1	\$1,182.00	\$413.00	1
	A.16.11	High Capacity Unbundled Local Loop - OC48 - Per Mile	\$27.25	1			
	A.16.12	High Capacity Unbundled Local Loop - OC48 - Incremental Cost - Manual Svc Order vs. Electronic			\$37.55	\$37.55	1
	A.16.13	High Capacity Unbundled Local Loop - OC48 - Interface OC12 on OC48	\$570.54	17	\$121.72	\$118.54	9
	A.16.14	High Capacity Unbundled Local Loop - OC48 - Interface-Incremental Cost-Manual Svc Order vs. Electronic			\$37.55	\$37.55	1
	A.16.15	High Capacity Unbundled Local Loop - STS-1 - Facility Termination	\$417.70	2	\$638.50	\$426.40	1
	A.16.16	High Capacity Unbundled Local Loop - STS-1 - Per Mile	\$8.90	1			
	A.16.17	High Capacity Unbundled Local Loop - STS-1 - Incremental Cost - Manual Svc. Order vs. Electronic			\$37.55	\$37.55	1

Note: "Incremental cost - Manual Service Order vs. Electronic Service Order", as specified above, should be added to applicable nonrecurring costs to obtain full nonrecurring price.

CERTIFICATE OF SERVICE

I hereby certify that on November 17, 2000, a copy of the foregoing document was served on the parties of record, via electronic mail or other method as indicated:

☐ Hand
☒ Mail
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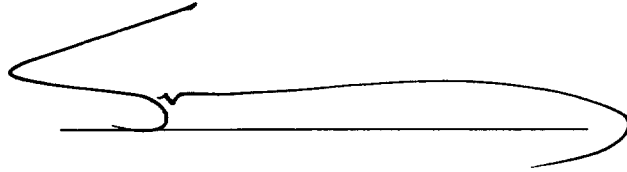
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A handwritten signature in black ink, appearing to read "Catherine F. Boone", written over a horizontal line.